

Intergovernmental Water Board (IWB)

Meeting Minutes

May 9, 2007

**Tigard Water Building
8777 SW Burnham Street
Tigard, Oregon**

Members Present:

Gretchen Buehner	Representing the City of Tigard
Patrick Carroll	Representing the City of Durham
George Rhine	Representing the Tigard Water District
Bill Scheiderich	Member at Large
Dick Winn	Representing the City of King City

Members Absent:

None

Staff Present:

Water Quality/Supply Supervisor John Goodrich
City Attorney Tim Ramis
Financial & Information Services Director Bob Sesnon
IWB Recorder Greer Gaston

1. Call to Order, Roll Call and Introductions

Commissioner Scheiderich called the meeting to order at 5:28 p.m.

Mr. Sesnon introduced himself to the Board. Commissioner Scheiderich recognized Mr. Ramis.

2. Approval of Minutes – April 11, 2007

Commissioner Carroll motioned to approve the April 11, 2007, minutes; Commissioner Buehner seconded the motion.

On page one, Commissioner Rhine requested an addition to the minutes to clarify that the Tigard Water District had not taken a vote on the disposition of the Canterbury property, but had engaged in a lengthy discussion of the issue.

It was agreed a notation would be placed in the minutes. The minutes were approved, as amended, by unanimous vote.

3. Public Comments: None

4. Egbert Credit for Leak Request

Mr. Sesnon provided background information regarding this credit for leak request. Based upon the prescribed process, a credit of \$739.88 was calculated. Credits exceeding \$500 require the approval of the IWB.

Commissioner Buehner motioned to approve the credit; Commissioner Carroll seconded the motion. The motion was approved by unanimous vote.

5. Logan Appeal of Leak Credit - Bob Sesnon

Mr. Sesnon provided background information regarding this appeal of a leak credit. Based upon the prescribed process, a credit of \$445.20 was issued. This left a remaining balance of \$484.46 owed by Mr. Logan. Mr. Logan was requesting a further credit.

Leonard Logan, 10606 SW Windsor Court, Tigard, described how the leak was identified and repaired.

Based upon past practice, Commissioner Winn suggested the Board split the remaining balance. This would result in an additional credit of \$242.23.

Commissioner Winn motioned to approve the additional credit; Commissioner Buehner seconded the motion. The motion was approved by unanimous vote.

Non-Agenda Item - Arbor Heights Apartments - Fire Line Leak

A memo and credit for leak request information from Mr. Goodrich were given to the Board at the beginning of the meeting. These materials are on file in the IWB record. The Board considered the request.

Mr. Goodrich provided background information regarding this credit for leak request. Based upon the prescribed process, a credit of \$1,323.12 was calculated. Credits exceeding \$500 require the approval of the IWB.

Commissioner Winn motioned to approve the credit; Commissioner Rhine seconded the motion. The motion was approved by unanimous vote.

6. Discussion of Water Building Agreement

Mr. Ramis distributed rough drafts of the following documents related to the City of Tigard's use of the water building. These documents are on file in the IWB record.

- Tenancy In Common Agreement
- Bargain and Sale Deed
- First Amendment to the Intergovernmental Agreement between the City of Tigard and the Tigard Water District for Delivery of Water Service
- Commercial Lease

Mr. Ramis confirmed the goals of the documents were to:

- assure the ownership of record is actually in the names of the participating jurisdictions
- create a lease relationship between those owners of record and the City of Tigard and outline who will manage the building and take on the costs associated with that management
- establish clear procedures to address when an owner of record wants to sell their interest or sell the building

To address these goals, Mr. Ramis proposed the following documents:

- A deed to convey the property in the appropriate ownership interest percentages
- A lease between the owners and City of Tigard clarifying who will be responsible for building maintenance expenses. This would likely include, via an appraisal process, a first right of refusal for the City of Tigard.

- Two documents dealing with property sale provisions:
 1. An amendment to the Intergovernmental Agreement stipulating that three votes will be required to sell property.
 2. Tenancy In Common Agreement to establish the rules under which the owners operate the ownership of the property. Most likely, this would also include, via an appraisal process, a first right of refusal for the City of Tigard.

Mr. Ramis summarized the documents. He directed the Board's attention to the following specific items:

- Tenancy In Common Agreement, page 4, section 18, Restrictions on Sale of the Property and, section 18.1, Right of First Refusal
- Amendment to the Intergovernmental Agreement, page 2, section 4.D.
- Commercial Lease, page 4

With regard to item 4.1 of the Commercial Lease, Commissioner Carroll noted the Board had agreed it was responsible for the HVAC. Commissioner Buehner explained maintenance that is typically the responsibility of a landlord would fall to the IWB, and standard tenant improvements would be the tenant's responsibility. Mr. Ramis confirmed the Board wished to use the model of a typical office building whereby the owner has responsibility for the roof, HVAC, structural integrity of the walls, etc.

Commissioner Scheiderich confirmed the Board was renting the building "as is." With regard to HVAC zone adjustments following the improvements, he asked if this cost would be allocated among the owners or done at the tenant's expense. The term of the lease and the City of Tigard's ability to recoup its investment in the building was discussed. Commissioner Scheiderich requested Mr. Ramis' documents state the building was being leased "as is."

Commissioner Carroll countered that in previous discussions the Board had decided to repair the building's HVAC system at a cost of about \$350,000. Other improvements would be the responsibility of the lessee.

Mr. Ramis will review the minutes from previous meetings to determine whether the IWB direction was to:

- Lease the building "as is," and adjust the lease term to ensure Tigard could recoup its investment. Tigard would pay for all improvements.

Or

- The IWB would pay for landlord improvements, like the HVAC, to make the building rentable, and the City of Tigard would pay for typical tenant improvements.

Commissioner Buehner clarified that Tigard would actually perform the repairs, but it was the responsibility of the IWB to make the building rentable.

Mr. Ramis noted the HVAC transaction will be completed by the time the legal documents are considered. He proposed the content of the minutes be included as a recital.

The Board discussed the fact that the percentage of ownership, per the IGA, would be determined by the number of residential, commercial, and industrial customers within each jurisdiction. Mr. Ramis said the Board could review the calculations prepared by Mr. Koellermeier.

The Board agreed to submit any comments to Mr. Ramis at least one week prior to the Board's next meeting.

7. Update on Water Supply Options - John Goodrich

Mr. Goodrich provided the following updates:

- The Tualatin Valley Water District still appears to be considering the Willamette River as an option.
- The City of Lake Oswego is working on initial water conservation efforts.

8. Informational Items

Mr. Goodrich provided the following updates:

- Aquifer Storage and Recovery Wells
 - 200 million gallons (mg) is stored in ASR wells.
 - A flow meter at ASR 2 is malfunctioning, but injection will continue as soon as it is repaired.
 - Non-contract water is available through May.
 - The target storage amount would be 260 mg; 1.8 mg can be injected per day.
 - Drilling is underway on ASR 3.
 - Theoretically, ASR 1 can store about 100 mg, and ASR 2 can store about 260 mg.
- The City of Tigard has hired a contractor to conduct large meter testing within Tigard Water Service Area. The contractor will check the accuracy of water meters for commercial buildings. Faulty meters may not accurately report water usage. Commissioner Buehner asked for a report on this testing at the next meeting.

9. Non-Agenda Items

Note: See Non-Agenda Item - Arbor Heights Apartments - Fire Line Leak under item #5

10. Next Meetings –

- June 13, 2007, 5:30 p.m.
Tigard Public Library, 2nd Floor Conference Room, 13500 SW Hall Blvd., Tigard, Oregon
- June 19, 2007, Time to be announced
Joint Meeting with the Tigard City Council
Tigard City Hall, 13125 SW Hall Blvd., Tigard Oregon

11. Adjournment: The meeting adjourned at 6:12 p.m.


Greer A. Gaston, IWB Recorder

Date: June 13, 2007